Permission to invest abroad

29. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to the survey conducted by FICCI, the Private insurance firms are very keen to invest the Premium funds abroad;

(b) whether any request from the Private Insurance Companies has been received by Government for permission to invest abroad which is otherwise prevented by the existing Act;

(c) whether Government would think of having a separate regulator both for insurance and pension; and

(d) if not, the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) The Government of India or Inusrance Regulatory and Development Authority (IRDA) has not received any written communication from private insurance companies in the matter.

(c) The Government has already notified a separate Pension Fund Regulatory and Development Authority.

(d) Does not arise.

Credit out flow to rural sector

30. SHRI K. CHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether according to the last rural household survey, more than 62 per cent of farmers outstanding debt was owed to private money lenders;

(b) whether the low percentage of credit outflow of the commercial banks to the rural sectors is causing this problem;

(c) if so, the details of the credit outflow of the commercial banks to the rural sectors;

(d) whether Government have taken adequate steps to increase the credit outflow of the commercial banks to rural areas; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) As per the last household survey conducted in 1991, the share of moneylenders in the borrowings of cultivator households was 17.5 per cent and the share of institutional credit was 66.3 per cent in 1991.

(b) and (c) The total ground level credit flow during the last three years for agriculture sector by commercial banks, cooperative banks and regional rural banks is given below:

(Rs. Crore)

S.No.	Agency	2000-01	2001-02	2002-03
1.	Commercial Banks	27807 (52.6%)	33587 (54.1%)	41033 (58.0%)
2.	Cooperative Banks	20718 (39.2%)	23524 (38.0%)	24296 (34.0%)
3.	Regional Rural Banks	4219 (8.0%)	4854 (7.8%)	5467 (8.0%)
4.	Others	83 (0.2%)	80 (0.1%)	—
5.	Total	52827 (100%)	62045 (100%)	70810 (100%)

It may be observed from the above that the share of commercial banks in the total flow of credit to agriculture has increased from Rs. 27808 crore (52.6%) in 2000-01 to Rs. 41033 crore (58.0%) in 2002-03.

(d) and (e) Reserve Bank of India and National Bank for Agriculture and Rural Development (NABARD) have taken several measures to increase the flow of institutional credit to rural areas including introduction of Kisan Credit Card Scheme, initiating Self-Help Groups-Bank Linkage Programme covering rural households financed with bank credit, introduction of Swarojgar Credit Card (SCC) Scheme benefiting the rural artisans and other small entrepreneurs, setting up of Rural Infrastructure

Development Fund (RIDF) with NABARD, introduction of the Scheme for financing farmers for purchase of land for agricultural purposes, and providing produce marketing loans under priority sector lending.

Tax holiday for backward States

31. SHRI B.J. PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to allow tax holiday in backward States in industrial sector;

(b) if so, what are the details of this scheme; and

(c) whether this tax holiday also applies to the most backward state of Orissa, if so the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) No Sir. The existing provisions of the Income-Tax Act, 1961 already provide for such concessions.

(b) The Income-tax Act provides for a 100% deduction from profits, for a period of 5 years, followed by a 25% deduction for the next 5 years to eligible unertakings set up before 31.3.2004 in backward States, and in certain backward districts of other States. In the case of eligible undertakings in certain other backward districts, a 100% deduction from profits for a period of 3 years, followed by a 25% deduction for the next 5 years has been allowed. In addition, a special set of concessions have been provided for certain special category states such as the North-eastern states and the States of Sikkim, Himachal pradesh and Uttaranchal.

(c) Undertakings which are set up in the industrially backward districts of Orissa, as notified, are eligible for the tax holiday.

Insurance Companies Operating in India

32. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) the names of Life and General Insurance Companies operating in India, with the names of countries of registration;

(b) whether some of these companies have established joint ventures in India, with equity participation of Indian Companies;